

ORIGINAL



0000083565

P.O. Box 711
Tucson, Arizona 85702-0711

RECEIVED

50



2000 MAY -2 A 11: 34

AZ CORP COMMISSION
DOCKET CONTROL

April 30, 2008

Docket Control – Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Re: UniSource Energy Services Report – Docket Nos. E-01032C-00-0751, G-01032A-02-0598, E-01933A-02-0914, E-01032C-02-0914, G-01032A-02-0914, Decision No. 66028

Pursuant to A.C.C. Decision No. 66028, UniSource Energy Services (“UES”) files this progress report on the negotiations to restructure the Pinnacle West Capital Corporation (“PWCC”) Power Supply Agreement (“PSA”). The currently sustained environment of high and volatile natural gas and power prices has not been conducive to renegotiating the PWCC PSA to receive better terms.

The PWCC PSA expires on May 31, 2008. Accordingly, this is the last progress report to be filed with the Arizona Corporation Commission.

Very truly yours,

David Couture
Director, Regulatory Services

Arizona Corporation Commission

DOCKETED

MAY 02 2008

Cc: Ernest Johnson, Utilities Division Director
A.C.C. Compliance Manager
All Parties of Record

DOCKETED BY	nr
-------------	----